



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

August 18, 2011

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Grants and Demonstrations

The ACA provides funding opportunities to transform how health care is delivered, expand access to care and support healthcare workforce training.

Grant Activity

8/15/11 DPH was awarded a **CDC grant of over \$1.6 million** under §4002, 4304 of the ACA to **improve the quality of health care and strengthen the public health infrastructure**. The grant strengthens DPH's capacity to perform critical epidemiology and laboratory work, detect and prevent healthcare-associated infections and evaluate immunization programs. The Epidemiology and Laboratory Capacity funding of \$1,073,121 will advance implementation of electronic lab reporting. \$521,473 in Healthcare Associated Infections funding will build prevention and control capacity in healthcare associated infections. \$32,450 from the Immunization Research award will fund an evaluation of DPH's meningococcal vaccine project. \$30,900 from The Epidemiology and Laboratory Capacity award will fund the DPH hepatitis C in youth project.

Read the grant narrative on the national health reform website at: [Grant Narrative](#)

8/15/11 DOI submitted an application to HHS/CCIIO under §1003 of the ACA for a **\$3 million "Grant to Support States in Health Insurance Rate Review-Cycle II"** to support and strengthen existing rate review activities. DOI also applied for supplemental "workload" funds made available under the ACA that will be distributed to states with larger populations and more health insurers.

The grant narrative can be read on our website under the Grants and Demonstrations section at: [Grant Narrative](#)

Guidance

8/18/11 IRS/ Treasury filed temporary guidance regarding the **Branded Prescription Drug Fee** in the ACA. The IRS temporary regulations provide guidance on the annual fee imposed on each covered entity engaged in the business of manufacturing or importing branded prescription drugs as required by §9008 of the ACA. The regulations are effective immediately. Comments are due November 16, 2011.

Read the regulations at: <http://www.gpo.gov/fdsys/pkg/FR-2011-08-18/pdf/2011-21012.pdf>

8/18/11 CMS filed a final rule that will **update Medicare payment policies** and rates for general acute care hospitals and long-term care hospitals for inpatient stays in FY 2012. The rule will also support efforts to promote ongoing improvements in hospital care that will lead to better patient outcomes while addressing long-term health care cost growth. The final rule updates payment policies and rates for acute care hospitals paid under the Inpatient Prospective Payment System (IPPS), as well as hospitals paid under the Long Term Care Hospital Prospective Payment System (LTCH PPS). CMS projects that total Medicare operating payments to acute care hospitals for inpatient services occurring in FY 2012 will increase by 1.1% from FY 2011, due to a 1% percent increase in payment rates together with other policies adopted in the final rule. Medicare payments to LTCHs in FY 2012 are projected to increase by 2.5% from FY 2011, due to a 1.8% increase in payment rates together with other policies adopted in the final rule. The final rule also strengthens the Hospital Inpatient Quality Reporting (IQR) Program and the new Hospital Inpatient Value-Based Purchasing (VBP) program required by the ACA by placing greater emphasis on preventing health care-associated infections in general acute care hospitals, and sets the framework for a new quality reporting program that will apply to hospitals paid under the LTCH PPS by establishing the first measure set for reporting beginning October 1, 2012. The rule also includes an ACA requirement to implement a Hospital Readmissions Reduction Program that will reduce payments beginning in FY 2013 (for discharges on or after October 1, 2012) to certain hospitals that have excess readmissions for certain selected conditions.

Read the rule at: <http://www.gpo.gov/fdsys/pkg/FR-2011-08-18/pdf/2011-19719.pdf>

8/17/11 HHS/Treasury filed two proposed rules (which will publish in the Federal Register on Monday 8/22) "**Summary of Benefits and Coverage (SBC) and the Uniform Glossary**" which implements the disclosure requirements of PHS Act section 2715, as added by §1001(5) of the ACA. The proposed regulations, effective March 2012, outline the disclosure of the summary of benefits and coverage and the uniform glossary required by group health plans and health insurance carriers in the group and individual markets.

Comments are due in 60 days.

Read more about the proposed regulation at:

<http://www.healthcare.gov/news/factsheets/labels08172011a.html>

8/17/11 HHS/Treasury **filed corresponding regulations which propose a template for an SBC; instructions, sample language, and a guide for coverage examples calculations** to be used in completing the template; and a uniform glossary that satisfies the disclosure requirements under the requirements of the ACA. The ACA requires a standardized form that insurers will use to explain benefits and coverage to consumers. Clear definitions for premiums, deductibles, in-network and out-of-network expenses, as well as excluded services are laid out in the draft regulations to help plans and individuals better understand their health coverage.

Comments are due in 60 days.

To view the proposed template for the Summary of Benefits and Coverage, visit:

<http://www.healthcare.gov/news/factsheets/labels08172011b.pdf>

Read the HHS press release at:

<http://www.hhs.gov/news/press/2011pres/08/20110817a.html>

The ACA directed the Secretary to consult with the NAIC in developing recommendations for the standards proposed in the rules. Read more about the NAIC's process at:

http://www.naic.org/committees_b_consumer_information.htm

8/12/11 HHS/Treasury released three proposed rules, which were published in the Federal Register on 8/17/11, to provide a simple, streamlined, and affordable path for consumers to use the Exchanges to buy insurance, receive premium tax credits, or enroll in Medicaid or CHIP and build on existing efforts toward Exchange development in states.

1) **Health Insurance Premium Tax Credit**, §1302, 1311, 1312, 1401, 1411, and 1412.

Provides guidance to individuals and families who enroll in qualified health plans through insurance exchanges and claim the premium tax credit, and to exchanges that make qualified health plans available to individuals and employers. The premium tax credits help defray insurance costs and make it easier for middle-income people to purchase affordable health insurance. To learn more about this proposed rule, visit

<http://www.treasury.gov/press-center/Documents/36BFactSheet.PDF>.

Read the rule at: <http://www.gpo.gov/fdsys/pkg/FR-2011-08-17/pdf/2011-20728.pdf>

Comments are due October 31, 2011.

2) **Exchange Eligibility and Employer Standards**, §1311, 1312, 1321, 1322, 1401, 1411, 1412, and 1413. Details the standards and process for enrolling in qualified health plans and insurance affordability programs. It also outlines basic standards for employer participation in the Small Business Health Options Program (SHOP). To learn more about this proposed rule, visit www.HealthCare.gov/news/factsheets/exchanges08122011b.html.

Read the rule at: <http://www.gpo.gov/fdsys/pkg/FR-2011-08-17/pdf/2011-20776.pdf>

Comments are due October 31, 2011.

3) **Medicaid Eligibility**, §1332, 2001, 2002, 2101, 2202, 1413, 1414 and 10201.

Expands and simplifies Medicaid eligibility and promotes a simple, seamless system of affordable coverage by coordinating Medicaid and CHIP with the new Exchanges. In addition, this proposed rule also sets out the increased Federal Medical Assistance Percentage (FMAP) rates and the related conditions and requirements that will be available for State medical assistance expenditures relating to "newly eligible" individuals and certain medical assistance expenditures in "expansion States" beginning January 1, 2014.

To learn more about this proposed rule, visit

www.HealthCare.gov/news/factsheets/exchanges08122011c.html.

Read the rule at: <http://www.gpo.gov/fdsys/pkg/FR-2011-08-17/pdf/2011-20756.pdf>

Comments are due October 31, 2011.

For an overview on the three proposed rules, visit:

www.HealthCare.gov/news/factsheets/exchanges08122011a.html;

HHS/Treasury is planning public forums in six cities to hear feedback regarding the establishment of exchanges and expect to modify the proposed rules based on feedback received from the forums and written comments. More information about the regulations and the forums is available in the HHS press release at:

<http://www.hhs.gov/news/press/2011pres/08/20110812a.html>

8/11/11 HHS and USDA jointly announced an initiative to allow states to cover the cost of planning for the integration of human service programs with state-operated Exchanges, Medicaid and CHIP. The letter informs states of a time-limited, specific exception to the cost allocation requirements of OMB Circular A-87. This exception, which expires December 31, 2015, allows federally funded human services programs to utilize systems designed specifically for determining a person's eligibility for Exchanges, Medicaid and CHIP without sharing in the common development costs, so long as those development costs would have

been incurred for the Exchange, Medicaid and CHIP system anyway. The exception is effective immediately, applies only to development costs for eligibility determination systems, and terminates on December 31, 2015.

Read the multi-agency letter at: <https://www.cms.gov/smdl/downloads/tri-agency.pdf>

Prior guidance can be viewed at www.healthcare.gov

News

8/12/11 HHS awarded \$185 million in Establishment grants to 13 states and the District of Columbia to help them build health insurance exchanges. The grants are available to states that have taken some action to set up an exchange. For the list of states that received grants visit: www.HealthCare.gov/news/factsheets/exchanges05232011a.html.

8/12/11 Secretary Sebelius sent a letter to Governors outlining the options and resources for states to work with HHS to set up health insurance exchanges while making more efficient use of shared resources. Read the letter at: www.HealthCare.gov/center/letters/exchanges08122011a.html.

8/11/11 Secretary Sebelius appeared on PBS' NewsHour and took questions from viewers about the ACA, including the critical role that state-based health insurance exchanges will play by 2014 when American individuals and small businesses shop for and buy insurance through the exchanges. Read the transcript of the broadcast at: <http://www.pbs.org/newshour/rundown/2011/08/sec-sebelius-takes-your-questions-on-health-insurance-exchanges.html>

Upcoming Events

Next Quarterly Stakeholder Meeting

Patient Protection and Affordable Care Act Implementation meeting
Monday October 17, 2011 from 11:00 A.M.- 12:00 P.M.
1 Ashburton Place, 21st floor, Boston

Open Meeting

Integrating Medicare and Medicaid for Dual Eligible Individuals

August 31, 2011, 10 am- 12pm
Saxe Room, Worcester Public Library
Worcester, MA

Consumer Focused Meeting

Integrating Medicare and Medicaid for Dual Eligible Individuals

September 27, 2011, 10am- 12 pm
1 Ashburton Place, 21st Floor, Conference Room 3
Boston, MA

*please note the date change for the September meeting

Open Meeting

Integrating Medicare and Medicaid for Dual Eligible Individuals

October 11, 2011, 10am- 12 pm
State Transportation Building
Conference Rooms 2 & 3, Second Floor
10 Park Plaza
Boston, MA

Bookmark the **Massachusetts National Health Care Reform website** at: www.mass.gov/nationalhealthreform to read updates on ACA implementation in Massachusetts.

Remember to check www.mass.gov/masshealth/duals for information on the **"Integrating Medicare and Medicare for Dual Eligible Individuals"** initiative.